

**Third Quarter Financial Statements and Dividend Announcement
for the Period Ended 30 September 2018**

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Set out below are the financial statements for the third quarter ended 30 September 2018

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2018	Q3 2017	Inc/(dec)	2018	2017	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	9,041	4,372	106.8	22,710	13,723	65.5
Cost of Sales	(5,494)	(1,907)	188.1	(14,179)	(6,300)	125.1
Gross profit	3,547	2,465	43.9	8,531	7,423	14.9
Other Items of Income:						
Interest Income	12	33	(63.6)	37	106	(65.1)
Other Gains	198	942	(79.0)	200	945	(78.8)
Other Items of Expense:						
Technical Support Expenses	(941)	(831)	13.2	(2,485)	(2,344)	6.0
Distribution Costs	(475)	(466)	1.9	(1,337)	(1,354)	(1.3)
Administrative Expenses	(682)	(646)	5.5	(1,919)	(1,869)	2.7
Other Losses	23	(258)	(108.8)	(17)	(438)	(96.1)
Finance Costs	(0)	-	0.0	(1)	-	100.0
Profit Before Income Tax	1,682	1,239	35.8	3,009	2,469	21.9
Income Tax Expenses	(417)	(283)	47.4	(676)	(587)	15.1
Profit, Net of Tax	1,265	956	32.3	2,333	1,882	24.0
Profit, Net of Tax Attributable to:						
Owners of the Company	782	778	0.5	1,504	1,404	7.1
Non-Controlling Interests	483	178	171.3	829	478	73.4
Profit, Net of Tax	1,265	956	32.3	2,333	1,882	24.0

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2018	Q3 2017	Inc/(dec)	2018	2017	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit, Net of Tax	1,265	956	32.3	2,333	1,882	24.0
Other Comprehensive Income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(711)	88	(908.3)	62	10	(517.4)
Total Comprehensive Income for the period	554	1,044	(46.9)	2,395	1,892	26.6
Total Comprehensive Income for the period Attributable to:						
Owners of the Company	148	858	(82.8)	1,573	1,414	11.3
Non-Controlling interest	406	186	118.3	822	478	72.0
Total Comprehensive Income for the period	554	1,044	(46.9)	2,395	1,892	26.6

1(a)(ii) Notes to Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2018	Q3 2017	Inc/(dec)	2018	2017	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Profit before income tax is stated after (charging)/crediting the following items:						
Fair Value Gain on Investments	152	936	(83.7)	121	936	(87.1)
Gain on Disposal of Investment	77	-	100.0	77	-	100.0
Loss on Disposal of Plant and Equipment	-	-	0.0	-	(1)	(100.0)
Foreign Exchange Loss, net	(1)	(255)	(99.6)	(5)	(421)	(98.8)
Amortisation of Intangible Assets	(121)	(142)	(14.8)	(385)	(439)	(12.3)
Depreciation of Plant and Equipment	(162)	(156)	3.8	(447)	(415)	7.7
Components of tax expense recognised in profit and loss include:						
Current Tax Expenses	(394)	(99)	297.9	(817)	(331)	146.8
Deferred Tax Income	(2)	(159)	(98.7)	227	(159)	(242.7)
Over adjustments in respect of prior years	29	13	123.0	29	13	123.0
Overseas Withholding Tax Expenses	(50)	(38)	31.6	(115)	(110)	4.6

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	Group	Group	Company	Company
	As at	As at	As at	As at
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Plant and Equipment	1,718	1,694	-	-
Investment Property	2,662	2,660	-	-
Intangible Assets	11,605	11,646	-	-
Investments in Subsidiaries	-	-	33,562	32,734
Investment in an Associate	1,919	1,860	-	-
Other Financial Assets	8,179	7,439	-	-
Deferred Tax assets	1,157	933	-	-
Total Non-Current Assets	27,240	26,232	33,562	32,734
Current assets				
Inventories	370	45	-	-
Trade and Other Receivables	19,592	20,061	8,124	7,848
Other Assets	506	320	30	4
Cash and Cash Equivalents	6,193	7,391	694	1,231
Total Current Assets	26,661	27,817	8,848	9,083
Total Assets	53,901	54,049	42,410	41,817
EQUITY AND LIABILITIES				
Equity				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	14,534	13,429	9,263	8,784
Foreign Currency Translation Reserve	(8,253)	(8,322)	-	-
Equity, Attributable to Owners of the Parent	38,229	37,055	41,211	40,732
Non-Controlling Interest	3,874	3,151	-	-
Total Equity	42,103	40,206	41,211	40,732
Non-Current Liabilities				
Deferred Tax Liabilities	305	305	-	-
Total Non-Current Liabilities	305	305	-	-
Current Liabilities				
Income Tax Payables	334	359	-	-
Trade and Other Payables	8,832	11,604	1,199	1,085
Other Liabilities	2,327	1,575	-	-
Total Current Liabilities	11,493	13,538	1,199	1,085
Total Liabilities	11,798	13,843	1,199	1,085
Total Equity and Liabilities	53,901	54,049	42,410	41,817

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

As at 30 September 2018, the Group did not have borrowings and debt securities.

Details of any collateral

The company has issued financial guarantee to the financial institutions for the following facilities granted to the Group's subsidiaries:-

- 1) A facility that is secured by fixed deposits of the subsidiary amounting to approximately \$2,490,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of \$505,000 (2017: \$505,000); and
- 2) A facility that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$991,000 (2017: Nil).

As at the end of the financial period, the outstanding facilities covered by the guarantee were Nil (2017: Nil).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flow

	Group			
	9 months ended 30 September			
	Q3 2018	Q3 2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Profit Before Income Tax	1,682	1,239	3,009	2,469
Adjustments for:				
Amortisation of Intangible Assets	121	142	385	439
Depreciation of Plant and Equipment	162	156	447	415
Loss on Disposal of Plant and Equipment	-	-	-	1
Gain on Disposal of Investment	(77)	-	(77)	-
Fair Value Gain on Investments	(152)	(936)	(121)	(936)
Interest Expense	0	-	1	-
Interest Income	(12)	(33)	(37)	(106)
Operating Cash Flow before Changes in Working Capital	1,724	568	3,607	2,282
Inventories	(353)	17	(326)	14
Trade and Other receivables	(327)	1,088	1,230	6,109
Other Assets	(317)	(193)	(187)	(114)
Trade and Other payables	1,973	1,332	(2,784)	(4,327)
Other Liabilities	(826)	(955)	752	(28)
Net Cash Flows From Operations	1,874	1,857	2,292	3,936
Income Tax Paid	(271)	(216)	(916)	(427)
Net Cash Flows From Operating Activities	1,603	1,641	1,376	3,509
Cash Flows From Investing Activities:				
Purchase of Plant and Equipment	(126)	(209)	(492)	(821)
Investment in an Associate	-	(142)	(425)	(142)
Other Financial Assets	(227)	(935)	(777)	(1,703)
Payment for Development Costs	(89)	(48)	(317)	(175)
Interest Income Received	12	33	37	106
Net Cash Flows Used in Investing Activities	(430)	(1,301)	(1,974)	(2,735)
Cash Flows From Financing Activities:				
Dividend Paid by a Subsidiary to Non-Controlling Interest	(99)	(1)	(99)	(468)
Dividend Paid to Equity Owners	(399)	(799)	(399)	(799)
Cash Restricted in Use	9	(17)	(507)	(617)
Proceeds from Interest Bearing Borrowings	(11)	-	489	-
Repayment of Interest Bearing Borrowings	11	-	(489)	-
Interest Expenses Paid	(0)	-	(1)	-
Net Cash Flows Used in Financing Activities	(489)	(817)	(1,006)	(1,884)
Net Change in Cash and Cash Equivalents	684	(477)	(1,604)	(1,110)
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	3,207	7,446	5,266	8,096
Effect of Exchange Rate Changes On Cash and Cash Equivalents	(330)	247	(101)	230
Cash and Cash Equivalents At End of the Financial Period (Note 1)	3,561	7,216	3,561	7,216

Explanatory Notes:

Note 1

	Group	
	9 months ended 30 September	
	2018	2017
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	6,193	8,791
Less: Restricted Deposits	(2,632)	(1,575)
Cash and cash equivalents per consolidated statement of cash flows	3,561	7,216

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Third Quarter ended 30 September 2018

	Total Equity S\$'000	Attributable to Parent Sub-total S\$'000	Share Capital S\$'000	Retained earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Non- Controlling Interests S\$'000
Current Quarter						
Group						
Opening Balance at 1 July 2018	42,047	38,480	31,948	14,151	(7,619)	3,567
Total Comprehensive Income/(Loss) for the financial period	554	148	-	782	(634)	406
Dividend Paid	(498)	(399)	-	(399)	-	(99)
Closing Balance at 30 September 2018	42,103	38,229	31,948	14,534	(8,253)	3,874
Company						
Opening Balance at 1 July 2018	41,076	41,076	31,948	9,128	-	-
Total Comprehensive Loss for the financial period	534	534	-	534	-	-
Dividend Paid	(399)	(399)	-	(399)	-	-
Closing Balance at 30 September 2018	41,211	41,211	31,948	9,263	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Third Quarter ended 30 September 2017

	Total Equity S\$'000	Attributable to Parent Sub-total S\$'000	Share Capital S\$'000	Retained earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Non- Controlling Interests S\$'000
Previous Quarter						
Group						
Opening Balance at 1 July 2017	38,669	36,440	31,948	13,688	(9,196)	2,229
Total Comprehensive Income for the financial period	1,044	858	-	778	80	186
Dividend Paid	(799)	(799)	-	(799)	-	-
Closing Balance at 30 September 2017	38,914	36,499	31,948	13,667	(9,116)	2,415
Company						
Opening Balance at 1 July 2017	39,369	39,369	31,948	7,421	-	-
Total Comprehensive Income for the financial period	1,557	1,557	-	1,557	-	-
Dividend Paid	(799)	(799)	-	(799)	-	-
Closing Balance at 30 September 2017	40,127	40,127	31,948	8,179	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statements of Changes in Equity for the nine months ended 30 September 2018

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Period:						
Group						
Opening Balance at 1 January 2018	40,206	37,055	31,948	13,429	(8,322)	3,151
Total Comprehensive Income for the financial period	2,395	1,573	-	1,504	69	822
Dividend Paid	(498)	(399)	-	(399)	-	(99)
Closing Balance at 30 September 2018	42,103	38,229	31,948	14,534	(8,253)	3,874
Company						
Opening Balance at 1 January 2018	40,732	40,732	31,948	8,784	-	-
Total Comprehensive Income for the financial period	878	878	-	878	-	-
Dividend Paid	(399)	(399)	-	(399)	-	-
Closing Balance at 30 September 2018	41,211	41,211	31,948	9,263	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statements of Changes in Equity for the nine months ended 30 September 2017

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous Period:						
Group						
Opening Balance at 1 January 2017	38,289	35,884	31,948	13,062	(9,126)	2,405
Total Comprehensive Income for the financial period	1,892	1,414	-	1,404	10	478
Dividend Paid	(1,267)	(799)	-	(799)	-	(468)
Closing Balance at 30 September 2017	38,914	36,499	31,948	13,667	(9,116)	2,415
Company						
Opening Balance at 1 January 2017	38,592	38,592	31,948	6,644	-	-
Total Comprehensive Income for the financial period	2,334	2,334	-	2,334	-	-
Dividend Paid	(799)	(799)	-	(799)	-	-
Closing Balance at 30 September 2017	40,127	40,127	31,948	8,179	-	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.

	Company	
	As at 30/9/2018	As at 31/12/2017
Ordinary share	31,957,264	31,957,264

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2017, except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these SFRS(I) and SFRS(I) INT did not result in any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Quarter ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	2.45	2.43	4.70	4.39
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a	n.a	n.a	n.a

n.a.: not applicable

⁽¹⁾ For comparative purposes, the earnings per ordinary share of the Group has been computed based on the profit, net of tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 31,957,264 shares for financial period ended 30 September 2018 and 2017.

⁽²⁾ Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 30/9/2018		As at 31/12/2017	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	119.63	128.96	115.95	127.46

⁽¹⁾ For comparative purposes, the net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company attributable to owners of the Company at the relevant financial year and the existing issued share capital of 31,957,264 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of results for the third quarter ended 30 September 2018 as compared to corresponding quarter ended 30 September 2017

Group Revenue

The Group achieved consolidated revenue of S\$9.041 million for the quarter ended 30 September 2018 ("Q3 2018"), an increase of 106.8% against the revenue recorded in the corresponding quarter ended 30 September 2017 ("Q3 2017"). The increase in Group revenue for Q3 2018 is attributable to the improved revenue performance of both GlobeOSS and Unifiedcomms.

GlobeOSS posted revenue of S\$5.996 million in Q3 2018, an increase of 310.7% from revenue of S\$1.460 million recorded in Q3 2017. This increase was driven by higher revenues from both system sale and managed service contracts.

Unifiedcomms posted revenue of S\$3.045 million in Q3 2018, an increase of 4.6% from the S\$2.912 million recorded in Q3 2017. This increase was driven by higher revenue from managed service contracts.

The Group's sales mix in Q3 2018 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 42.7% of the Group's total revenue in Q3 2018 as compared to 78.4% in Q3 2017. The lower relative contribution of managed service contracts to the Group's sales mix in Q3 2018 is mainly attributable to the significant improvement in system sale contract revenues of the Group, which had increased 449.6% from S\$0.943 million in Q3 2017 to S\$5.183 million in Q3 2018.

Group Gross Profit and Gross Profit Margins

The Group posted gross profit of S\$3.547 million in Q3 2018, an increase of 43.9% from the S\$2.465 million recorded in Q3 2017, however gross profit margin was lower at 39.2% as compared to 56.4% in Q3 2017. This was primarily due to lower gross profit margin realised on Group's system sale contract revenues, which declined from 73% in Q3 2017 to 28.1% in Q3 2018. The decline in gross profit margin is mainly attributable to the higher proportionate contribution of system sale contract revenues by GlobeOSS, which generally delivers lower gross profit margin as a result of its typically higher third party costs.

Gross profit margin recorded by the Group on its managed service contract revenues however increased to 54.2% in Q3 2018 from 51.8% in Q3 2017. This increase in gross profit margin was mainly due to lower third-party costs on certain managed service contracts.

Interest Income

The Group recorded interest income of S\$0.012 million in Q3 2018, 63.6% lower against the S\$0.033 million recorded in Q3 2017. This is mainly attributable to lower cash and cash equivalents as a result of on-going investment in other financial assets by the Group's venture investment subsidiary, Captii Ventures Pte Ltd.

Other gains

The Group recorded other gains of S\$0.198 million in Q3 2018, 79% lower against the S\$0.942 million recorded in Q3 2017. This was mainly due to lower fair value gain assessed on the Group's venture investment portfolio.

Other Items of Expense

The Group recorded total expenses of S\$2.075 million in Q3 2018, 5.7% lower than the S\$2.201 million incurred in Q3 2017. This is mainly attributable to lower net foreign exchange loss as a result of a favourable exchange rate movement of USD and MYR against SGD, the Group's reporting currency.

This decrease in foreign exchange loss was partly offset by:-

- * Higher technical support expenses recorded in Q3 2018, due to an increase in technical support headcounts; and
- * Higher administrative recorded in Q3 2018, as a result of higher professional fees incurred.

Group Net Profit and EBITDA

The Group recorded higher net profit of S\$1.265 million and EBITDA of S\$1.953 million in Q3 2018 as compared to S\$0.956 million in net profit and S\$1.504 million in EBITDA recorded by the Group in Q3 2017. The higher net profit and EBITDA results recorded in Q3 2018 are mainly attributable to the flow-down effects of higher revenue and lower total expenses recorded in Q3 2018.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the third quarter ended 30 September 2018 as compared to corresponding quarter ended 30 September 2017 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for Q3 2018, together with comparative results for Q3 2017 is provided below:

Table 8.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 September

	Q3 2018 S\$'000	Sales mix %	Q3 2017 S\$'000	Sales mix %
Unifiedcomms	3,045	33.7	2,912	66.6
GlobeOSS	5,996	66.3	1,460	33.4
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	9,041	100.0	4,372	100.0

Unifiedcomms - Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.

GlobeOSS - Segment for mobile network operation support systems, solutions and managed services.

Others - Segment for operational headquarters of the Group and investment holding.

Table 8.2: Group consolidated revenue as analysed by geographical segment for the quarter ended 30 September

External Sales	Q3 2018			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	2,717	5,992	-	8,709
South Asia (SA)	187	-	-	187
Middle East & Africa (MEA)	141	-	-	141
Others	-	4	-	4
Total	3,045	5,996	-	9,041

External Sales	Q3 2017			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	2,605	1,456	-	4,061
SA	199	-	-	199
MEA	108	-	-	108
Others	-	4	-	4
Total	2,912	1,460	-	4,372

Table 8.3: Group consolidated revenue as analysed by contract type for the quarter ended 30 September

External Sales	Q3 2018			Q3 2017		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	5,183	3,858	9,041	943	3,429	4,372
Gross Profit	1,455	2,092	3,547	688	1,777	2,465
Gross Profit (%)	28.1%	54.2%	39.2%	73.0%	51.8%	56.4%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of results for the nine months ended 30 September 2018 as compared to corresponding period ended 30 September 2017

Group Revenue

The Group achieved consolidated revenue of S\$22.710 million for the nine months ended 30 September 2018 ("9M 2018"), an increase of 65.5% against the revenue recorded in the corresponding period ended 30 September 2017 ("9M 2017"). The increase in Group revenue for 9M 2018 is attributable to the improved revenue performance of GlobeOSS.

GlobeOSS posted revenue of S\$14.066 million in 9M 2018, an increase of 186.6% from the S\$4.908 million recorded in 9M 2017. This improvement in revenue was driven by higher revenues from both system sale and managed service contracts.

Unifiedcomms however recorded revenue of S\$8.644 million in 9M 2018, a decrease of 1.9% from the S\$8.815 million recorded in 9M 2017. This decrease in revenue was due to lower revenue achieved from system sale contracts that was only partly mitigated by improved revenue from managed service contracts.

The Group's sales mix in 9M 2018 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 47.8% of the Group's total revenue in 9M 2018 as compared to 70.6% in 9M 2017. The lower contribution of managed service contracts to the Group's sales mix in 9M 2018 was mainly contributed by the improvement in system sale contract revenues of the Group, which had increased 194.4% from S\$4.028 million in 9M 2017 to S\$11.857 million in 9M 2018.

Gross Profit and Gross Profit Margins

The Group posted gross profit of S\$8.531 million in 9M 2018, an increase of 14.9% from the S\$7.423 million recorded in 9M 2017. Gross profit margin was however lower at 37.6%, compared to 54.1% achieved in 9M 2017. This was primarily due to lower gross profit margin realised on Group's system sale contract revenues, which declined from 54.5% in 9M 2017 to 22.1% in 9M 2018. The decline in gross profit margin is mainly attributable to the higher proportionate contribution of system sale contract revenues by GlobeOSS, which generally delivers lower gross profit margin as a result of its typically higher third party costs.

Gross profit margin recorded by the Group on its managed service contract revenues however increased to 54.5% in 9M 2018 from 53.9% in 9M 2017. This increase in gross profit margin was mainly due to lower third-party costs on certain managed service contracts.

Interest Income

The Group recorded interest income of S\$0.037 million in 9M 2018, 65.1% lower against the S\$0.106 million recorded in 9M 2017. This is mainly attributable to lower cash and cash equivalents as a result of on-going investment in other financial assets by the Group's venture investment subsidiary, Captii Ventures Pte Ltd.

Other gains

The Group recorded other gains of S\$0.2 million in 9M 2018, 78.8% lower against the S\$0.945 million recorded in 9M 2017. This was mainly due to lower fair value gain assessed on the Group's venture investment portfolio.

Other Items of Expense

The Group recorded total expenses of S\$5.759 million in 9M 2018, 4.1% lower than the S\$6.005 million incurred in 9M 2017. This is mainly attributable to a lower foreign exchange loss recorded in 9M 2018, as a result of a favourable exchange rate movement of USD against SGD, the Group's reporting currency.

The decrease in foreign exchange loss was partly offset by:-

- * Higher technical support expenses recorded in 9M 2018, due to an increase in technical support headcounts; and
- * Higher administrative recorded in 9M 2018, as a result of higher professional fees incurred.

Net Profit and EBITDA

The Group recorded higher net profit of S\$2.333 million and EBITDA of S\$3.805 million in 9M 2018 as compared to S\$1.882 million in net profit and S\$3.217 million in EBITDA recorded by the Group in 9M 2017. The higher net profit and EBITDA results recorded in 9M 2018 are mainly attributable to the flow-down effects of higher revenue and lower total expenses recorded in 9M 2018.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the nine months ended 30 September 2018 as compared to corresponding period ended 30 September 2017 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for 9M 2018, together with comparative results for 9M 2017 is provided below:

Table 8.4: Group revenue as analysed by business unit for the nine months ended 30 September

	2018 S\$'000	Sales mix %	2017 S\$'000	Sales mix %
Unifiedcomms	8,644	38.1	8,815	64.2
GlobeOSS	14,066	61.9	4,908	35.8
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	22,710	100.0	13,723	100.0

Unifiedcomms - Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.

GlobeOSS - Segment for mobile network operation support systems, solutions and managed services.

Captii Ventures - Segment for strategic investment in early and late-stage technology ventures.

Others - Segment for operational headquarters of the Group and investment holding.

Table 8.5: Group revenue as analysed by geographical segment for the nine months ended 30 September

External Sales	2018			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	7,802	14,054	-	21,856
South Asia (SA)	558	-	-	558
Middle East & Africa (MEA)	284	-	-	284
Others	-	12	-	12
Total	8,644	14,066	-	22,710

External Sales	2017			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	7,949	4,897	-	12,846
SA	593	-	-	593
MEA	273	-	-	273
Others	-	11	-	11
Total	8,815	4,908	-	13,723

Table 8.3: Group revenue as analysed by contract type for the nine months ended 30 September

External Sales	2018			2017		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	11,857	10,853	22,710	4,028	9,695	13,723
Gross Profit	2,615	5,916	8,531	2,196	5,227	7,423
Gross Profit (%)	22.1%	54.5%	37.6%	54.5%	53.9%	54.1%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of the Group's financial position as at 30 September 2018 as compared to the Group's financial position as at 31 December 2017

Non-cash current assets of the Group increased from \$20.426 million as at 31 December 2017 to S\$20.468 million as at 30 September 2018. This 0.2% increase in non-cash current assets was mainly due to increase in inventories and other asset. This increase was partly offset by decrease in trade and other receivables of the Group, as a result of collections received in 2018 relating to trade receivables from late 2017.

Total non-current assets of the Group increased from S\$26.232 million as at 31 December 2017 to S\$27.240 million as at 30 September 2018. This 3.8% increase in non-current assets is mainly attributable to increase in investment in other financial assets and an associate, made by the Group's venture investment subsidiary, Captii Ventures Pte Ltd.

Total liabilities of the Group decreased from S\$13.843 million as at 31 December 2017 to S\$11.798 million as at 30 September 2018. This 14.8% decrease in total liabilities is attributable to the decrease in trade and other payables, following repayment made accordingly to the vendors. This impact was partly mitigated by increase in other liabilities.

Review of the Group's cash flow for the quarter and nine months ended 30 September 2018 as compared to the corresponding period ended 30 September 2017

The Group's net cash flow from operations for Q3 2018 was slightly higher at S\$1.874 million, as compared to S\$1.857 million for Q3 2017.

The Group's net cash flow from operations for 9M 2018 was S\$2.292 million, as compared to S\$3.936 million for 9M 2017, a decrease of 41.7%. This decrease was primarily due to an unfavourable working capital change of S\$1.315 million for 9M 2018, in contrast with the favourable working capital change of S\$1.654 million for 9M 2017, which was mainly caused by lower collections of trade receivables for 9M 2018 as compared to the corresponding period in 2017.

The Group's net cash flow used in investing activities for Q3 2018 was S\$0.43 million, as compared to S\$1.301 million for Q3 2017. The lower net cash used in investing activities was mainly due to the lower volume of venture investments made in the current quarter as compared to Q3 2017.

The Group's net cash flow used in investing activities for 9M 2018 was S\$1.974 million, as compared to S\$2.735 million for 9M 2017. The lower net cash used in investing activities was mainly due to the lower volume of venture investments and investment in plant and equipment for new managed service contracts made in 9M 2018 versus 9M 2017.

The Group's net cash flow used in financing activities for Q3 2018 amounted to S\$0.489 million as compared to S\$0.817 million for Q3 2017. The lower net cash used in financing activities was mainly due to the lower dividend payout to equity holders of the Company.

The Group's net cash flow used in financing activities for 9M 2018 was S\$1.006 million, as compared to S\$1.884 million for 9M 2017. The lower net cash used in financing activities was mainly due to lower dividend payout to both equity holders of the Company and Non-Controlling Interest.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No profit forecast has been issued for the financial period under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The directors and management of the Group expect the remainder financial year 2018 to be challenging but remain optimistic about growth prospects.

Although the growth in system sale business of GlobeOSS in 2017 and the current year to date had significantly augmented the slower than desired growth of the Group's managed service contract portfolio, uncertainty and hence lumpiness is still to be expected in the contribution of system sale contracts to the Group's future results.

The need for management to continue to strengthen the Group's managed service contract portfolio and to continue to grow its venture investment portfolio as the basis for delivering steady, if not rapid yet sustainable future growth, remains.

The growing interest and opportunity in internet-driven application services for enterprises, fintech as well as internet and handset-app delivered digital media will guide the Group's venture investment activities. The Group's venture investment plans in the year ahead will continue to focus primarily on these growth businesses in the SEA region and will complement the organic growth strategy in place for the Unifiedcomms and GlobeOSS businesses.

11. Dividend**(a) Current Financial Year Reported On**

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	9 months ended 30 September		9 months ended 30 September	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
AESBI Power Systems Sdn Bhd *	177	168	Nil	Nil

* A wholly-owned subsidiary of Advance Synergy Capital Sdn. Bhd. (a wholly-owned subsidiary of Advance Synergy Berhad, the Group's ultimate holding corporation)

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

16. A breakdown of sales.

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Not applicable.

19. Negative Confirmation pursuant to rule 705(5).

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 September 2018 to be false or misleading.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Executive Director

BY ORDER OF THE BOARD

Wong Tze Leng
Executive Chairman
8 November 2018